NextSource Materials Inc. – Disclosure Policy

Effective Date: January 14, 2023

Policy Owner: NextSource Materials Inc. Board of Directors. This Code is Section 3C of the 2023 01 14 NextSource Corporate Governance Manual (Revised).

The Board of Directors (the "Board") of NextSource Materials Inc. has adopted the Corporate Governance Guidelines (the "Guidelines") and related policies to assist the Board in the exercise of its responsibilities. The Board may modify or make exceptions to the Guidelines and related policies from time to time in its discretion and consistent with the duties and responsibilities owed to the Company and its shareholders. The Guidelines and related policies shall be read and interpreted in conjunction with applicable corporate and securities laws.

Scope: This Code applies to all employees of NextSource Materials Inc. and its subsidiaries, collectively referred to as "the Company". It includes all directors, officers, employees, contractors and consultants, of the Company, collectively referred to as "employees".

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1. Purpose

1.1. The Disclosure Policy clarifies the responsibilities of the Disclosure Committee, directors, officers, employees, and consultants, as well as dealing with standard disclosures such as:

a) press releases
b) disclosure of material information
c) materiality determinations
d) material change reports
e) maintaining confidentiality
f) designated spokespersons
g) conference calls
h) rumors
i) contacts with analysts, investors and the media
j) analyst reports
k) forward-looking information
l) quiet periods
m) Internet chat rooms and bulletin boards
n) the Company's website and social media

1.2. The Disclosure Policy ensures the Company's website and other public disclosures comply with TSX Company Manual Electronic Communications Guidelines ("TSX ECG"), TSX Company Manual Timely Disclosure Policy, CSA Staff Notice 51-348 Staff Review of Social Media Used By Reporting Issuers, National Instrument 51-102 Continuous Disclosure Obligations, National Policy 51-201 Disclosure Standards, National Policy 11-201 Electronic Delivery of Documents, and National Policy 47-201 Trading Securities Using the Internet and Other Electronic Means, and other continuous disclosure requirements of the Company.

2. Definitions

This policy relies on the following definitions:

2.1. **"Investor relations information"** includes all material public documents such as: the annual report; annual and interim financial statements; the Annual Information Form; news releases; material change reports; declarations of dividends; redemption notices; management proxy circulars; and any other communications to shareholders.

2.2. A **"chat room"** is a live electronic forum for discussion among Internet participants.

2.3. A **"newsgroup"** is an electronic bulletin board on which Internet participants may post information.

2.4. **"Social media"** includes electronic communication through which users create or participate in online communities to share information, ideas and other content, or to participate in social networking.

3. Disclosure Responsibilities

Design and implementation of the Disclosure Policy is the responsibility of the Disclosure Committee.

a) The Disclosure Committee is responsible for approving press releases and any other publicly disclosed information regarding the Company prior to dissemination. The Audit Committee shall review and approve any financial related disclosures prior to dissemination. The Sustainability Committee shall review and approve any mine development or technical disclosures prior to dissemination.

b) The Disclosure Committee has delegated to the EVP Corporate Development the responsible for ensuring all investor relations information made available by the Company on the website, social media, broadcast via e-mail or otherwise on the Internet complies with applicable securities laws and internal policies. This responsibility includes ensuring the Company website and social media are properly reviewed and updated.

c) The Disclosure Committee has delegated to the EVP Corporate Development the permission to post to the Company's social media accounts and the responsibility for monitoring the Company's social media accounts.

d) The Disclosure Committee and all directors, officers, and select employees and consultants involved in the preparation and review of public disclosure documents, management of the website, release of press releases, posting electronic communications to the Company website, Twitter feed, Facebook page and other social media must confirm they have read, understand, and will comply with the Disclosure Policy.

e) Employees are prohibited from participating in Internet chat rooms, newsgroups and social media discussions relating to the Company or its securities.

4. Authorized Spokespersons

4.1. To ensure the investment community, regulators, newsletter writers and the media are receiving consistent and accurate information, only the CEO, CFO, EVP Corporate Development, or a person specifically authorized by the CEO (collectively "Authorized Spokespersons"), are authorized to speak on behalf of the Company to those groups.

4.2. Persons who are not Authorized Spokespersons must not respond under any circumstances to inquiries from the investment community, the media or other persons unless specifically requested to do so by an Authorized Spokesperson. All such information inquiries made to non-designated spokespersons shall be initially referred to an Authorized Spokesperson.

5. Disclosure of Material Information

5.1. The Company is subject to continuous disclosure and reporting obligations under Canadian securities laws. These obligations require the Company to disclose certain information at specified intervals and on the occurrence of certain events. In addition, under the rules of the TSX, the Company is required, subject to certain exceptions, to disclose promptly to the public any material information regarding the Company. Material information is any information relating to the business and affairs of the Company that significantly affects or would reasonably be expected to have a significant effect, on the market price or value of the Company's securities.

5.2. As a guiding principle, if the information would influence a person's decision to buy or sell securities of the Company, the information is likely material information. If a director, officer or other person is unsure whether or not information is material, they should immediately contact a member of the Disclosure Committee before disclosing it to anyone. Examples of potentially material information that will require disclosure include, but are not limited to, the following:

- Changes in share ownership that may affect control of the Company.
- Changes in corporate structure, such as reorganizations, amalgamations, etc.
- Take-over bids or issuer bids.
- Major corporate acquisitions or dispositions.
- Changes in capital structure.
- Borrowing of a significant amount of funds.
- Public or private sale of additional securities.
- Significant discoveries or mineral resources or mineral reserves.

- Entering or loss of significant contracts.
- Firm evidence of significant increases or decreases in near-term financial prospects.
- Changes in capital investment plans or corporate objectives.
- Significant changes in management.
- Significant litigation.
- Major labour disputes or disputes with major contractors or suppliers.
- Events of default under financing or other agreements.
- Any other developments relating to the business and affairs of the Company that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

5.3. At all times, the Company shall act to disclose material information in accordance with all applicable securities laws, rules, and regulations, and in accordance with the Disclosure Policy. Without limiting the foregoing obligations, the following are the basic principles for disclosure of material information by the Company:

a) Where a material change has occurred in the affairs of the Company, the Company will immediately issue and file a news release disclosing the nature and substance of the material change, followed by a material change report filed within ten days of the date on which the material change occurred. In certain circumstances, the Disclosure Committee may determine that such disclosure would be unduly detrimental to the Company's interests (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the Company will immediately file a confidential material change report, and may otherwise keep news of the material change confidential until the Disclosure Committee determine that it is appropriate to publicly disclose it, or the Company is compelled to disclose it under applicable continuous disclosure obligations. The Company shall periodically (at least every ten days) review its decision to keep any material information confidential to assess whether disclosure continues to be unduly detrimental to the Company. If the Company decides to continue keeping the material information confidential, it will apprise any applicable regulators of that fact.

b) Unless otherwise directed by the Disclosure Committee, the Company will publicly disclose material information first before selectively disclosing it to any person (such as an interview with an analyst or in a telephone conversation with an investor), unless disclosing such information to such person prior to public

dissemination is “in the necessary course of business” or such person has entered into a confidentiality agreement with the Company regarding such undisclosed material information. Consultation with the Company’s legal counsel is recommended before making selective disclosure “in the necessary course of business”.

c) Disclosure must be corrected promptly if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

6. Forward Looking Disclosures

The Company must avoid providing forward looking disclosures (including forward-looking financial information) that are not properly identified, supported, and updated. The best practices for forward looking disclosures are as follows:

a) Material forward-looking information must be made on a reasonable basis, identified as such, and must include the material factors or assumptions used to develop that forward-looking information.

b) Material forward-looking information must be updated, as required by applicable securities laws, when events occur that make it no longer likely for the target to be met.

c) The MD&A should discuss any differences between actual results and previously disclosed forward-looking information for the period. The MD&A should also discuss events and circumstances that occurred in the period that are reasonably likely to cause actual results to differ materially from material forward-looking information which has been previously disclosed, for the interim period that is not yet complete.

d) Financial forecasts should not be provided on a selective basis to certain investors not involved in the management of the affairs of the Company. If disclosed, they should be generally disclosed. Reference should be made to National Instrument 51-102 Continuous Disclosure Obligations (FOFI and Financial Outlooks).

7. Misleading and Unbalanced Disclosures

The Company must avoid misleading and unbalanced disclosures where the information is not sufficient to provide a complete picture or is inconsistent with information already disclosed on the System for Electronic Document Analysis and Retrieval (SEDAR). To avoid misleading and unbalanced disclosures:

a) The Company's disclosure record must be balanced and consistent.

b) The Company must ensure that material information posted on its website and social media is not misleading. Material information is misleading if it is incomplete, incorrect or omits a fact making another statement misleading and would be expected to have a significant effect on the market price of the stock price. Information may also be misleading if it is out of date.

c) Announcements of material changes should be factual and balanced.

d) Unfavourable news must be disclosed just as promptly and completely as favourable news.

e) Press releases should contain enough detail to enable the media and investors to understand the substance and importance of the change it is.

f) Avoid including unnecessary details, exaggerated reports, or promotional commentary.

g) Avoid non-GAAP financial measures which have not been disclosed in any regulatory filings.

8. Selective and Early Disclosures

The Company must avoid selective or early disclosures, which occurs when some investors receive material information through social media that other investors do not receive because it is not generally disclosed. To avoid selective or early disclosures:

a) The Company and any of its representatives are prohibited from informing, other than "in the necessary course of business", anyone of material non-public information before that material information has been "generally disclosed" through a press release.

b) The Company's internal employee trading and confidentiality policies cover the use of electronic forms of communication. Employees must not use the Internet to "tip" or discuss in any form undisclosed material information about the Company.

c) The Company must not post a material news release on a website or distribute it by e-mail or otherwise on the Internet before it has been disseminated on a news wire service in accordance with TSX Timely Disclosure Policy.

d) If previously undisclosed material information has been inadvertently selectively disclosed to an analyst or any other person and such disclosure has not been made "in the necessary course of business", such material information must be broadly disclosed immediately via news release and the TSX should be immediately contacted and consulted regarding a possible halt in trading until such news release is issued. Pending the issuance of such news release, the Company should also advise those parties who have knowledge of the undisclosed material information that it is material and that it has not been generally disclosed.

9. Quiet Periods

The Disclosure Committee or the Company may determine that it is appropriate for the Company to observe "quiet periods", during which time comments with respect to the Company's current operations or expected results will not be provided to analysts, investors, or other market professionals. This is to avoid the potential for improper selective disclosure or even the perception or appearance of improper selective disclosure. The Company need not stop all communications with analysts or investors during the "quiet period". However, communications should be limited to responding to inquiries concerning publicly available or non-material information. Generally, the Company will observe quiet periods between the end of the quarter and until 48 hours following the release of quarterly and annual financial results announcements, or when material changes are pending or until 48 hours after material changes are announced (or until the pending material changes will no longer be pursued).

10. Emails

Company e-mail addresses are an issuer address and as such all correspondence received and sent via e-mail are to be considered as corporate correspondence. Employees must not misuse their emails and must avoid transmitting confidential information externally via unencrypted e-mail.

11. Press Releases

11.1. Only the Disclosure Committee is permitted to approve press releases for dissemination through a newswire service. All material press releases must be submitted to IIROC for comment prior to the final version of the press release being publicly disseminated. All non-material press releases must be sent to IIROC concurrent with dissemination through a wire service so that IIROC has a copy on hand in the event an issue arises.

11.2. The Company is not permitted to announce the initiation of research coverage by press release.

12. Company Website

12.1. The website should be a complete repository of current and accurate investor relations information.

12.2. The Company must clearly identify and separate its investor information from other information on its website. Promotional, sales and marketing information should not be included on the same web pages as investor relations information. The website should clearly distinguish sections containing investor relations information from sections containing other information.

12.3. The Company has the duty to include on its website all material information and to correct any material information available on its website that is misleading. It is not sufficient that the information has been corrected or updated elsewhere. It is possible for information to become inaccurate over time. The Company must regularly review and update or correct the information on the website.

12.4. Investor relations information that is disclosed electronically should be presented in the same manner online as it is offline. Important information should be displayed with the same prominence and a single document should not be divided into shorter, linked documents that could obscure or "bury" unfavourable information. While the Company may divide a lengthy document into sections for ease of access and downloading, issuers must ensure that the full document appears on the site, that each segment is easily accessible and that the division of the document has not altered the import of the document, or any information contained in it.

12.5. The following is permitted to be posted on the website and social media accounts:

A) All Corporate "Timely Disclosure" Documents and Other Investor Relations Information:

- The Company should post all corporate "timely disclosure" documents and other investor relations information that it deems appropriate. The posting of such documents and information on the web site does not fulfill the Company's obligation to disseminate such information through a timely news release.

- The Company must post investor relations information, particularly its news releases, as soon as possible following dissemination. Documents filed on SEDAR should be posted concurrently on the web site, as suggested in National Policy 51-201 Disclosure Standards or the Company can create a hyper-link to the SEDAR web site.

- If the Company chooses to link to SEDAR or to a news wire web site, a link can be provided directly to the issuer's page on that site, provided that the terms and conditions of the site to which the link is provided do not place restrictions on "deep-linking", or object to "framing" (Displaying the content or page(s) of a third party web site within the overall design of an issuer's web site, which gives the impression that the third party content is part of the issuer's site).

- Links to other web sites should be checked regularly to ensure they still work, are up-to-date and accurate. In addition, a disclaimer should be included on the issuer's web site, preferably via a pop-up window, clearly stating that the viewer is leaving the issuer web site and that the issuer is not responsible for the content, accuracy or timeliness of the other site.

B) All Supplemental Information Provided to Analysts and Other Market Observers:

- If the Company distributes non-material investor relations information to analysts and institutional clients, it must make such supplemental information available to all investors through the website. Supplemental information includes such materials as fact sheets, fact books, slides of investor presentations and transcripts of management investor relations speeches and other materials distributed at investor presentations.

- If the volume or format of the supplemental information makes it impractical to post to the website, the Company will describe the information on the web site and provide a contact for the information so that an investor may contact the issuer directly to obtain a copy of the information.

- Whenever the Company is making a planned disclosure of material corporate information in compliance with TSX Timely Disclosure Policy and related guidelines, it should also consider providing a dial-in and/or web replay or make transcripts of the related conference call available for a reasonable period after the call.

C) *Investor Relations Contact Information and Responses:*

- The Company must provide an e-mail link on its web site for investors to communicate directly with an investor relations representative. Any Authorized Spokesperson is permitted to respond to investor inquiries provided that the information transmitted electronically to the investor adheres to TSX and legislative disclosure requirements to minimize the potential of selective disclosure of information.

- The Company is permitted to establish an e-mail distribution list, permitting users who access the web site to subscribe to receive electronic delivery of news and website updates directly from the Company. However, any electronic distribution of material information through the email distribution list must be made after the information has been disseminated on a news wire service.

D) *Analyst Coverage and Lists:*

- The Company may post a list of all research analysts who follow the Company together with contact information so that investors may contact the third party directly.

- If the Company provides a list of analysts and other third-party authors, the list should be complete and include all analysts and other third-party authors that the Company knows follows it, regardless of the content of their reports. The website must clearly state that the Company does not endorse the views and conclusions of the research analyst or report.

12.6. The following is not permitted to be posted to the website and social media accounts:

A) Research Analyst Reports and Third-Party Information:

- The Company is not permitted to announce the initiation of research coverage.
- The Company shall refrain from commenting on analyst's models, draft research reports or financial estimates, but may review draft research reports to identify publicly disclosed factual information that may affect an analyst's model or to identify inaccuracies or omissions with reference to publicly available information about the Company. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and estimates.
- The Company shall not post an analyst report or consensus report on its website as it may be seen to be endorsing the views and conclusions of the report. By posting such information on its website, the Company may become "entangled" with the report and be legally responsible for the content even though it did not author it. This could also give rise to an obligation to correct the report if the Company becomes aware that the content is or has become misleading (for example, if the earnings projection is too optimistic).
- The Company will not post any investor relations information on its website and social media accounts that is authored by a third party, unless the information (1) was prepared on behalf of the issuer, or (2) is general in nature and is not specific to the issuer.
- The Company will not post media articles including radio, television and online news reports.

B) Third Party Links:

- All third-party links must include a pop-up disclaimer stating clearly that the viewer is leaving the Company website and that the Company is not responsible for the content, accuracy or timeliness of the other site.

12.7. The Company will ensure to date the first page of each document as it is posted on the website if the filing or publishing date is not already contained within the document. The Company will maintain a log of the date and content of all material information that it

has posted and removed from the website. The Company may remove inaccurate information from the web site at any time if a correction has been posted.

12.8. The Company has set a minimum retention period for material corporate information that it posts on its website:

- Annual financial statements will remain on the website for a period of at least five years.
- Interim financial statements will remain on the website for a period of at least two years.
- Press releases will remain on the website for a period of at least five years.

12.9. The Company must ensure the integrity and security of its electronic communications by:

- Regularly reviewing and updating the website security systems.
- Being aware that it might be possible for unauthorized persons to alter the content of the site.
- Monitoring the integrity of the website address to make sure that the site is accessible and has not been altered.
- All website pages and links to other websites must be checked at least once per quarter to ensure all of these still work, are up-to-date and are accurate.

12.10. The Company will establish an archiving system to store and provide access to information that is no longer current. An electronic archive is a repository of information which has been removed from the website, but which can still be accessed from the website through a special link.

12.11. The Company must consult with its legal counsel to discuss the appropriateness, effectiveness, placement, and wording of legal disclaimers about the accuracy, timeliness and completeness of the information posted on the website. It is critical that disclaimers be easily visible to all users of the web site and that they be written in plain language such that the content of the disclaimer is easily and quickly read and understood.

13. Analyst Calls and Conferences

13.1. If the Company holds an analyst conference call/webcast or delivers a presentation at an industry/investor conference, it will announce its participation and must ensure that it participates in a manner that enables any interested party to listen either by telephone

and/or through a web cast, in accordance with s. 6.7(1) of National Policy 51-201 Disclosure Standards.

13.2. The analyst conference call/webcast will be preceded by a press release containing all relevant material information. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing a full discussion of the risks and uncertainties. Promptly after the conference call/webcast, the Disclosure Committee will discuss whether a disclosure of previously undisclosed material information occurred during the call, and if so, take steps to publicly disclose the information promptly via press release, as per the Disclosure Policy.

13.3. All speeches or talks at a public forum or an event where a member of the media could have access (other than investor/industry conferences where material non-public information is not anticipated to be disclosed or discussed) must be approved in advance by the Disclosure Committee.

13.4. No material non-public information may be released in any forum unless approved by the Disclosure Committee and accompanied by wide public dissemination using a press release in accordance with the Disclosure Policy. Participants in industry/investor conferences are encouraged to check with a member of the Disclosure Committee if the subject matter of an industry conference appears to be sensitive or controversial.

14. Rumours

14.1. The Company is not expected to monitor chat rooms, newsgroups, or social media for rumours about itself.

14.2. If the Company becomes aware of a rumour in a chat room, newsgroup or on social media or any other source, the Company should consider the market impact of the rumour and the degree of accuracy and significance. If the rumour may have a material impact on the stock price, it should immediately contact Market Surveillance so that they can monitor trading in the issuer's securities.

14.3. If Market Surveillance determines that the rumour is affecting trading, it may require the Company to issue a news release stating that there are no corporate developments to explain the market activity.

14.4. The Company should not participate in a chat room, newsgroup, or social media to dispel or clarify a rumour as such action may give rise to selective disclosure concerns

and may create the expectation that the Company will always respond. If the information is false and is materially influencing the trading activity of the Company's securities, it may consider issuing a clarifying press release to ensure widespread dissemination of its statement.

14.5. Provided the Company and related entities are not the source of the market rumour, Authorized Spokespersons will consistently respond by saying "It is our policy not to comment on market rumours or speculation." In some instances when a rumour is traced back to a statement previously made by the Company, or when a persistent rumour is affecting the price of the Company's securities, it may become necessary for the Company to correct an inaccuracy or deny or confirm the rumour. The Disclosure Committee will be responsible for making such determination. If the TSX or a securities regulatory authority requests the Company to issue a statement in response to a rumour, the Disclosure Committee will consider the matter and authorize the appropriate response in accordance with this Disclosure Policy.

15. Compliance with National Instrument 43-101

Disclosure in the Company's continuous disclosure documents and on the Company's website in relation to the Company's properties must comply with National Instrument 43-101, as applicable.

16. Compliance with Extractive Sector Transparency Measures Act (ESTMA)

16.1. In Canada, the Extractive Sector Transparency Measures Act ("ESTMA") requires the Company to publicly disclose, on an annual basis, specific payments exceeding the minimum threshold of $100,000 made to:

1) any government in Canada or abroad;
2) a body that is established by two or more governments; or
3) any trust, board, commission, corporation, body, or authority that is established to exercise or perform, or that exercises or performs, a power, duty, or function of the government for a government referred to in (1) above, or a body referenced to in (2) above.

16.2. There are seven categories of reportable payments consisting of taxes, royalties, fees, production entitlements, bonuses, dividends, and infrastructure improvement payments. All payments made by the Company, and by any entity controlled by the Company, to any governmental entity must be reported. To the extent the Company is required to report payments pursuant to the ESTMA, the Disclosure Committee, in conjunction with management and the Audit Committee, shall be responsible for

identifying and ensuring compliance with the ESTMA. Additionally, other selected directors, officers, employees, in-house or outside qualified persons, independent auditors, consultants, and outside counsel, as appropriate, will review and comment on these documents.

17. Persons Privy to Confidential Information

17.1. All persons that are privy to confidential information relating to the Company are prohibited from communicating such information to anyone else unless it is necessary to do so in the normal course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information to perform their duties, and such persons will be advised that the information is to be kept confidential. The following non-exhaustive procedures should be followed:

- Documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who "need to know" that information in the "necessary course of business";
- Confidential information should be transmitted, electronically or otherwise, only where it is reasonable to believe that such transmission can be made and received securely;
- Confidential matters should not be discussed in places where the discussion may be overheard; and
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.

17.2. No material non-public information should be disclosed by any persons or representatives of the Company to outside parties except in the necessary course of business. Outside parties that are privy to undisclosed material non-public information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in securities of the Company until the information is generally disclosed.

18. Compliance with Securities Laws

18.1. The Company should have special regard to securities laws and registration and filing requirements, which may be triggered if it posts any document offering securities to the public on its web site.

18.2. If the Company is considering a distribution of securities, it should carefully review the web site in consultation with legal counsel in advance of and during the offering. The release of information and promotional materials relating to a public offering before or during the offering is subject to restrictions under securities laws. Documents related to a distribution of securities should only be posted on the web site if they are filed with and receipted by the appropriate securities regulator in the applicable jurisdictions. All promotional materials related to a distribution of securities should be reviewed with the Company's legal advisors before they are posted on the web site to ensure that such materials are consistent with the disclosure made in the offering documents and that the posting of such materials to a web site is permitted under applicable securities laws.

19. Enforcement of the Disclosure Policy

19.1. The Disclosure Policy extends to all directors, officers, employees, and consultants of the Company and its subsidiaries, and to all Authorized Spokespersons. All Directors, officers, employees, and consultants will be provided with a copy of this Disclosure Policy and are required to acknowledge that they have read this Disclosure Policy when they are engaged or is significantly revised.

19.2. All individuals who violate this Disclosure Policy may face disciplinary action up to and including termination of employment without notice. The violation of this Disclosure Policy may also violate certain securities laws, which could expose Directors, officers, or employees to personal liability. If it appears that an individual may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.